GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1027
ANSWERED ON:09.03.2005
US COMPANIES IN IT SECTOR
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

:-

(a) whether many US Companies have shown keen interest in the Indian Information Technology Sector;

(b) if so, the number of US Companies which ventured into the Indian Information Technology Infrastructure market; and

(c) the extent to which it is likely to boost the Indian IT market?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(DR. SHAKEEL AHMAD)

(a): Yes, Sir.

(b): As per the database maintained by National Association of Software and Services Companies there are over 3000 companies engaged in the export of Information Technology software and services from India. The database of the exact number of the US companies ventured in the Indian Information Technology Infrastructure sector is not available with them.

Government had approved Foreign Director Investment of US$ 1,083.27 million from US upto May 2003 in the Information Technology sector.

(c): India earned foreign exchange of US$ 12.5 billion during 2003-04 from the export of Information Technology Software and Services including IT enabled Services (ITeS) and the Business Process Outsourcing (BPO) and the same is expected to grow to US$ 16.5 billion during 2004-05.

The share of the export of the Information Technology software and services from India to US is around 70% of the total export from the country. Therefore, outsourcing from US is playing major role in boosting the Indian IT market.